

FISCAL NOTE

SB 1564 - HB 2044

March 2, 2007

SUMMARY OF BILL: Includes a mother causing her newborn child to be born with an illegal substance or health problems due to an illegal substance in the definition of abuse. Requires the Department of Children's Services to develop and maintain statewide statistics of such abuse and report annually to the Joint Select Committee on Children and Youth.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$18,237,600

Other Fiscal Impact – Increase Federal Expenditures - \$10,118,200

Assumptions:

- In 2004, there were 79,572 live births in Tennessee.
- According to the National Center for Health Statistics, seven and a half to 17% of pregnant women use illicit drugs during pregnancy.
- In FY 2004-2005, the Department of Children's Services (DCS) investigated 1,461 reports of drug exposed infants.
- If seven and a half percent of live births in Tennessee resulted in an investigation of drug exposed infants, there would be a total of 5,968 ($79,572 \times 7.5\%$) investigations conducted. The additional investigations conducted each year would be 4,507 ($5,968 - 1,461$).
- DCS is estimating that 27%, or 1,217 ($4,507 \times 27\%$), of the additional investigations would result in the infant being placed in state custody.
- If the 1,217 infants were placed in custody for a year, the total number of days that DCS would contract for foster care would be 444,205 ($1,217 \times 365$). The Department would contract for foster care at a rate of \$48.7 per day which will result in an increase in expenditures of \$21,632,784.
- Forty-five percent, or \$9,734,753, of such expenditures will be through the TennCare program. Of such amount, \$3,529,821 will be state expenditures ($\$9,734,753 \times 36.26\%$ match rate) and \$6,204,932 will be federal expenditures ($\$9,734,753 \times 64.74\%$ match rate).
- Seven percent, or \$1,514,295, of the total expenditures will be Federal Title IV-E funds ($\$21,632,784 \times 7\%$).

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- The total increase in expenditures for the infants being placed in state custody is \$13,913,557 in state funds and \$7,719,227 in federal funds.
- DCS would need an additional 34 Child Protective Services case managers and 81 custody case managers. The salary and benefits for each position would be \$39,600 and there would be \$11,000 per position for the additional costs associated with creating such position (communications, equipment, office space, travel, etc). The total increase in expenditures per position is \$50,600. The total increase in expenditures for the additional case managers is \$5,819,000 (\$50,600 X 115).
- DCS would also need an additional 16 team leaders. The salary and benefits for each position would be \$45,500 and there would be \$11,000 per position for the additional costs associated with creating such position (communications, equipment, office space, travel, etc). The total increase in expenditures per position is \$56,500. The total increase in expenditures for the additional team leaders is \$904,000 (\$56,500 X 16).
- The total increase in expenditures for the additional staff would be \$6,723,000.
- Forty-five percent, or \$3,025,350, of such expenditures will be through the TennCare program. Of such amount, \$1,096,922 will be state expenditures (\$3,025,350 X 36.26% match rate) and \$1,928,358 will be federal expenditures (\$3,025,350 X 64.74% match rate).
- Seven percent, or \$470,610, of the total expenditures will be Federal Title IV-E funds (\$6,723,000 X 7%).
- The total increase in expenditures for the additional staff positions needed is \$4,324,032 in state funds and \$2,398,968 in federal funds.
- The total increase in state expenditures is estimated to be \$18,237,589 and the total increase in federal expenditures is estimated to be \$10,118,195.
- There will not be a significant increase in state or federal expenditures to report annually to the Joint Select Committee on Children and Youth.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director